

Secrest
Smith
Weinert

Willis
Wood

Absent

Hudson

The amendment by Senator Reagan was then adopted.

Record of Votes

Senators Krueger, Phillips, Owen, Moore, Kazen, Fuller, Crump, Parkhouse, Hazlewood, Gonzalez and Bradshaw asked to be recorded as voting "Nay" on the adoption of the above amendment.

Question—Shall C. S. H. B. No. 7 be passed to third reading?

Recess

Senator Fuller moved that the Senate stand recessed until 9:30 o'clock a.m. tomorrow.

Question on the motion to recess, yeas and nays were demanded.

The motion to recess prevailed by the following vote:

Yeas—19

Bradshaw	Parkhouse
Crump	Phillips
Dies	Ratliff
Fly	Reagan
Fuller	Roberts
Hardeman	Rogers
Hazlewood	Weinert
Kazen	Willis
Lane	Wood
Moore	

Nays—11

Aikin	Martin
Baker	Moffett
Colson	Owen
Gonzalez	Secrest
Herring	Smith
Krueger	

Absent

Hudson

Accordingly, the Senate at 6:28 o'clock p.m. took recess until 9:30 o'clock a.m. tomorrow.

EIGHTH DAY

(Continued)

(Thursday, June 11, 1959)

After Recess

The Senate met at 9:30 o'clock a.m. and was called to order by the President.

Leave of Absence

Senator Secrest was granted leave of absence for today on account of important business on motion of Senator Moore.

Senate Resolution 95

Senator Weinert offered the following resolution:

Whereas, We are honored today to have in the gallery of the Senate, three members of Medina County 4-H Club from Hondo and Devine, accompanied by their sponsor, Mrs. Lewis R. Boehle; and

Whereas, These students of today are the citizens, leaders, and statesmen of tomorrow, who, with the acceptance of democracy's heritage, must carry on the responsibilities of self-government; and

Whereas, It is highly commendable that these young people are demonstrating, by their visit in the Senate, an interest in the process of their state government; now, therefore, be it

Resolved, That we extend to these students a cordial welcome; and that a copy of this Resolution, bearing the official seal of the Senate, be sent to them in appreciation of their visit.

The resolution was read and was adopted.

Senator Weinert by unanimous consent presented the students and Mrs. Boehle to the Members of the Senate.

Senate Resolution 96

Senator Krueger offered the following resolution:

Whereas, The Boys State of the American Legion of the Department of Texas for 1959 is now in session on the campus of The University of Texas; and

Whereas, This assembly of 573 boys from all parts of the State of Texas

is the largest and most successful in the nineteen year history of American Legion Boys State in Texas; and

Whereas, Fifty-six members of Boys State have been selected for service in the Senate and desire to visit the Legislature of the State of Texas on Friday, June 12, 1959, to learn at first hand the procedures and methods employed in the legislative process in Texas; now, therefore, be it

Resolved, By the Senate of the State of Texas, that we extend to the members of the American Legion Boys State an invitation to visit this body on Friday, June 12, 1959, and that the fifty-six members of the Senate of Boys State be extended the privileges of the floor during this visit, if the Senate is then in session; and if the Senate is not in session, that Boys State be granted the privilege of holding one of its sessions on the floor of the Senate on Friday; and be it further

Resolved, That the heartiest congratulations of the Senate of the State of Texas be extended to these fine young Texans who are learning at firsthand about the functioning of their government and to the American Legion for making possible this training in government for the young men of Texas, and that copies of this Resolution be forwarded to Dr. Firman Haynie, Director of Boys State, V. F. Taylor, State Chairman of Boys State, and G. Ward Moody, Department Adjutant of the American Legion in Texas.

The resolution was read and was adopted.

Senate Resolution 97

Senator Rogers offered the following resolution:

Whereas, We are honored today to have as visitors in the Senate, Mr. and Mrs. Allison Steed of Childress and Mr. Pat Steed, son of Mr. and Mrs. Bernie Steed of Childress; and

Whereas, We desire to welcome these distinguished visitors to the Capitol Building and Capital City; Now, therefore, be it

Resolved, That their presence be recognized by the Senate of Texas and that they be extended the official welcome of the Senate.

The resolution was read and was adopted.

Senator Rogers by unanimous consent presented the guests to the Members of the Senate.

Committee Substitute House Bill 7 on Second Reading

The Senate resumed the consideration of the pending business, same being C. S. H. B. No. 7 on its second reading and passage to third reading (The bill having been read the second time on Tuesday, June 9, 1959).

Question—Shall C. S. H. B. No. 7 be passed to third reading?

Senator Lane offered the following amendment to the bill:

Amend the Committee Substitute for House Bill No. 7 by (1) striking out Section 6.03 of Article VI and substituting in lieu thereof the following:

"Sec. 6.03. There is hereby levied a tax upon the 'first sale' of cigars and tobacco products as those terms are defined herein, which tax shall be determined by the following schedule:

"(a) Upon cigars of all description weighing not more than three (3) pounds per thousand, one cent (1c) for each ten (10) cigars or fraction thereof;

"(b) Upon cigars of all description weighing more than three (3) pounds per thousand retailing for not more than ten cents (10c) each, Twelve Dollars (\$12) per thousand;

"(c) Upon cigars of all description weighing more than three (3) pounds per thousand retailing for over ten cents (10c) each but not more than twenty cents (20c) each, Eighteen Dollars and Seventy-five Cents (\$18.75) per thousand;

"(d) Upon cigars of all description weighing more than three (3) pounds per thousand retailing for more than twenty cents (20c) each, Twenty-five Dollars (\$25) per thousand;

"(e) Upon all smoking tobacco including granulated, plug-cut, crimp-cut, ready-rubbed, and other kinds and forms of tobacco prepared in such manner as to be suitable for smoking in a pipe or cigarette: the tax shall be twelve and one-half per cent (12½%) of the factory list price, exclusive of any trade discount, special discount, or deals.

"(f) Chewing tobacco: twelve and one-half cents (12½c) per pound."

and

(2) by adding a new section to Article VI to be known as Section 6.05½ to read as follows:

"Sec. 6.05½. In lieu of the method of administration set out in Section 6.05 of this Article, the Comptroller shall have authority to establish an invoice system for the collection of the tax imposed by this Article; and to this end, the Comptroller shall have authority to promulgate such rules and regulations as he may deem necessary for the efficient and effective administration of an invoice system of tax collection."

and

(3) by adding a new Article to be known as Article IIA to read as follows:

**"ARTICLE IIA
BOAT, BOAT MOTOR, BOAT
TRAILER TAX**

Section 2A.01. As used in this Article, the following words shall have the following meanings unless a different meaning clearly appears from the context:

(a) 'Boat' shall mean any and every type of watercraft, other than a seaplane on water, used or capable of being used as transportation on water.

(b) 'Boat Motor' shall mean any and every type of marine engine or motor, permanently mounted or detachable, which is used or capable of being used as a means of propelling any boat or watercraft.

(c) 'Boat Trailer' shall mean any and every type of vehicle designed or used to carry or haul boats over land areas such as roads and the like.

(d) 'Retailer' shall mean and include every person in this State who manufacture, produces, or in any other manner acquires or possesses boats, boat motors or boat trailers taxable under this Article for the purpose of making a resale, use, or distribution of the same in this State to the user; and it shall also include every person in this State who ships, transports or imports any boat, boat motor or boat trailer taxable under this Article and makes the first distribution of, use by, or sale to the user of same in this State.

(e) 'Person' shall mean and include every individual, firm, association, joint stock company syndicate, co-partnership, corporation, trustee, agency or receiver.

(f) 'Distributor' shall mean and

include every person other than a retailer who engages in the business of distributing or selling boats, boat motors or boat trailers within this State. If any distributor shall sell, use or distribute a boat, boat motor or boat trailer to any person not holding a valid permit as required by this Article, such distributor shall qualify as a retailer and be liable for and shall be required to pay over to the State of Texas, at the time and in the manner herein provided for a retailer, the tax on such boat, boat motor or boat trailer.

(g) 'Comptroller' shall mean the Comptroller of Public Accounts of the State of Texas.

(h) 'Retail Sale' shall mean any transfer, exchange or barter of a boat, boat motor or boat trailer taxable under this Article, conditional or otherwise, in any manner or by any means whatsoever, to the user and shall include conditional sales, installment lease sales, and any other transfer of a boat, boat motor or boat trailer taxable under this Article in which the title is retained as security for payment of the purchase price and is intended to be transferred later. It shall also mean the first sale or distribution in this State to the user of any boat, boat motor or boat trailer taxable under this Article which has been imported or brought into the State, or which has been manufactured, constructed, produced, or assembled in Texas, or acquired in any manner without the tax having been previously paid thereon in Texas.

(i) 'Distribution' shall mean and include any transaction other than a retail sale in which ownership or title to any boat, boat motor or boat trailer taxable under this Article is passed to a user.

(j) 'Use' shall mean the keeping or retention in this State of any boat, boat motor or boat trailer by the user for the purpose of using such boat, boat motor or boat trailer or the exercise of any right or power over any such boat, boat motor or boat trailer incident to the ownership thereof. The term 'use' shall not include the storing, keeping, or retention of boats, boat motors or boat trailers in any place of business where boats, boat motors or boat trailers are sold, or offered for sale, or demonstrated for sale in the regular course of business conducted at such places, nor shall the said term include boats, boat mo-

tors or boat trailers which are crated and stored in Texas for sale and delivery outside the State of Texas.

(k) 'Retail Sale Price' shall mean the actual price, valued in money, paid or required to be paid, as a consideration in the purchase or acquisition of any boat, boat motor or boat trailer taxable under this Article by the user, and without any deductions being made therefrom on account of cost of materials, labor, transportation charges, or any expenses whatsoever, including allowance for any trade-ins.

(l) 'User' shall mean and include every person who purchases, uses, or acquires in any other manner any boat, boat motor or boat trailer taxable under this Article for his own use in Texas and who does not purchase or acquire same for the purpose of resale.

Sec. 2A.02. There is hereby levied and shall be collected and paid upon the sale, distribution, or use of boats, boat motors or boat trailers in this State an excise tax equal to one and one-half per cent (1.5%) of the retail sale price of each such boat, boat motor, or boat trailer sold, distributed or used in the State of Texas. Every retailer who makes a sale or distribution of a boat, boat motor or boat trailer in the State of Texas to the user shall add the amount of said tax to the selling price which said tax shall be collected from the purchaser or recipient of such boat, boat motor or boat trailer at the time of sale or distribution, and said tax shall be reported and paid to the State of Texas as hereinafter provided.

Sec. 2A.03. The tax imposed in Section 2A.02 of this Article shall not apply to any boat, boat motor or boat trailer used for commercial purposes.

Sec. 2A.04. The method of administration and enforcement of this Article shall be the same as the method provided in Chapter 522, Acts of the 54th Legislature, Regular Session, 1955, as presently constituted or as may be hereafter amended.

Sec. 2A.05. The Comptroller shall have authority to make such rules and regulations as he may deem necessary for the efficient and effective administration of this Article.

Sec. 2A.06. All revenues derived from the tax imposed by this Article shall be placed in the General Revenue Fund."

On motion of Senator Lane and by unanimous consent the amendment was not read but was explained.

(Senator Reagan in the Chair.)

Senator Krueger offered the following amendment to the amendment by Senator Lane:

Amend amendment by Lane to House Bill 7 by striking out all of subsection (e) and subsection (f) of Section 6.03 of Article VI.

The amendment to the amendment was read.

On motion of Senator Martin the amendment to the amendment was tabled.

Record of Votes

Senators Colson, Willis, Aikin, Moffett and Krueger asked to be recorded as voting "Nay" on the motion to table the amendment to the amendment.

The amendment by Senator Lane was then adopted.

Record of Vote

Senator Krueger asked to be recorded as voting "Nay" on the adoption of the amendment by Senator Lane.

Senator Baker offered the following amendment to the bill:

Amend the substitute to House Bill 7 by adding a new article to be numbered appropriately and to read as follows:

"ARTICLE —

"Section 1. Subsection 17 of Section 15 of Article I of the Texas Liquor Control Act as such law has been amended and renumbered (compiled as Subsection (17) of Article 666-15 of Vernon's Penal Code of Texas). is hereby amended to read as follows:

'Subsection (17) Wine and Beer Retailer's Permit. The Board of administrator is authorized to issue wine and beer retailer's permits. The holders of such permits shall be authorized to sell for consumption on or off premises where sold, but not for resale, wine, beer and malt liquors containing alcohol in excess of one-half of one per cent ($\frac{1}{2}$ of 1%) by volume and not more than fourteen percent (14%) of alcohol by volume. All such permits shall be applied for and is-

sued, unless denied, and fees paid, upon the same procedure and in the same manner and upon the same facts and under the same circumstances, and for the same duration of time, and shall be renewable in the same manner, as required, and provided to govern application for an issuance of Retail Beer Dealer's License under Article II, of this Act, and shall be subject to cancellation or suspension for any of the reasons that a Retail Beer Dealer's License may be cancelled or suspended, and under the same procedure. The holders of Wine and Beer Retailer's Permits shall also be subject to all provisions of Section 22, Article II of this Act. All alcoholic beverages which the holders of such permits are authorized to sell shall be sold under the same restrictions as provided in Article II governing the sale of beer, as to hours of sale and delivery, local restrictions, sales to minors and intoxicated persons, age of employees, installation or maintenance of barriers or blinds, prohibition of the use of the word 'saloon' in the signs or advertising, and subject to the same restrictions upon consumption of wine as provided for beer in the case of Retail Beer Dealers in Section 15 of Article II of this Act. For the violation of any applicable provision of Article II, the holders of such permits shall be liable for penalties provided in Article II; for the violation of any other provision of this Act the holders of such permits shall be subject to penalties provided in Article I of this Act.

The annual State fee for Wine and Beer Retailer's Permit shall be Ninety Dollars (\$90); provided, however, that a Wine and Beer Retailer's Permit may be issued for railway dining, buffet, or club cars, upon the payment of a fee of Five Dollars (\$5) for each car; provided, however, that the Wine and Beer Retailer's Permit may be issued for a regularly scheduled excursion boat which has been duly licensed by the United States Coast Guard to carry passengers upon the navigable waters of the State of Texas; provided, however, that the said excursion boat shall have a tonnage of not less than thirty-five (35) tons, with a length of not less than fifty-five (55) feet and passenger capacity of not less than forty-five (45) passengers, upon payment of a fee of Thirty-five Dollars (\$35); provided, however, that the railway and/or excursion boat application therefor

and the payment of the fee shall be made direct to the Board; and provided, further, that any such permit for railway dining, buffet, or club car, and/or excursion boat shall be inoperative in any dry areas as the same is defined in this Act.'

"Sec. 2. Subsection 8 of Section 15 of Article I of the Texas Liquor Control Act as such law has been amended and renumbered (compiled as Subsection (8) of Article 666-15 of Vernon's Penal Code of Texas), is hereby amended to read as follows:

(8) Package Store Permit. A Package Store Permit shall authorize the holder thereof to:

(a) Purchase liquor from the holders in this State of Class A Winery, Class B Winery, Wholesaler's, Class B Wholesaler's and Wine Bottler's Permits;

(b) Sell liquor on or from licensed premises at retail to consumer for off-premises consumption only and not for the purpose of resale, in unbroken original containers only;

(c) Sell malt and vinous liquors in original containers of not less than six (6) ounces;

(d) Sell vinous liquors, but in quantities of not more than five (5) gallons in original containers in any single transaction.

(e) Any person holding more than one Package Store Permit may designate one of the licensed premises as the place for storage of liquor, and he shall be privileged to transfer liquor to and from such storage to and from his other licensed premises under such rules and regulations as may be prescribed by the Board.

The annual State fee for a Package Store Permit in cities and towns shall be based upon the population according to the last preceding Federal Census as follows:

Population	Fee
25,000 or less	\$250.00
25,001 to 75,000	\$375.00
75,001 or more	\$500.00

The annual State fee for a Package Store Permit outside of cities and towns shall be two Hundred and Fifty Dollars (\$250.00) except the annual State fee for a Package Store Permit outside of any incorporated city or town and within two (2) miles of the corporate limits shall be the same as the fee required in said incorporated city or town.'

"Sec. 3. Subsections (e) and (f) of Section 3 of Article II of the Tex-

as Liquor Control Act as such law has been amended and renumbered (compiled as Subsections (e) and (f) of Article 667-3 of Vernon's Penal Code of Texas), are hereby amended to read as follows:

'Subsection (e) Retail Dealer's On-Premises License. A Retail Dealer's On-Premises License shall authorize the holder thereof to sell beer for consumption on or off the premises where sold, in or from any lawful container to the ultimate consumer, but not for resale. Annual State fee for a Retail Dealer's On-Premises License shall be Seventy-five Dollars (\$75).

'Subsection (f) Retail Dealer's Off-Premise License. A Retail Dealer's Off-Premise License shall authorize the holder thereof to sell beer in a lawful container direct to the consumer, but not for resale and not to be opened or consumed on or near the premises where sold. Annual State fee for a Retail Dealer's Off-Premise License shall be Thirty Dollars (\$30).'

On motion of Senator Baker and by unanimous consent the amendment was not read but was explained.

Senator Martin moved the previous question on the pending amendment and the passage of C. S. H. B. No. 7 to third reading and the motion was duly seconded.

Question—Shall the previous question be ordered?

The previous question was ordered by the following vote:

Yeas—17

Aikin	Martin
Baker	Moffett
Colson	Phillips
Dies	Ratliff
Hardeman	Reagan
Hazlewood	Roberts
Herring	Smith
Hudson	Weinert
Lane	

Nays—12

Bradshaw	Moore
Crump	Owen
Fly	Parkhouse
Gonzalez	Rogers
Kazen	Willis
Krueger	Wood

Absent

Fuller

Absent—Excused

Secrest

Question on adoption of the amendment by Senator Baker, yeas and nays were demanded.

The amendment was then adopted by the following vote:

Yeas—18

Aikin	Lane
Baker	Martin
Bradshaw	Moffett
Colson	Phillips
Dies	Ratliff
Fuller	Roberts
Hazlewood	Rogers
Herring	Smith
Hudson	Wood

Nays—12

Crump	Moore
Fly	Owen
Gonzalez	Parkhouse
Hardeman	Reagan
Kazen	Weinert
Krueger	Willis

Absent—Excused

Secrest

Question on passage of C. S. H. B. No. 7 to third reading, yeas and nays were demanded.

The bill was passed to third reading by the following vote:

Yeas—16

Aikin	Lane
Baker	Martin
Colson	Moffett
Dies	Owen
Fuller	Phillips
Hazlewood	Reagan
Herring	Roberts
Hudson	Smith

Nays—14

Bradshaw	Moore
Crump	Parkhouse
Fly	Ratliff
Gonzalez	Rogers
Hardeman	Weinert
Kazen	Willis
Krueger	Wood

Absent—Excused

Secrest

**Motion to Place
Committee Substitute House Bill 7
on Third Reading**

Senator Martin moved that the Constitutional Rule and Senate Rule 32 requiring bills to be read on three several days be suspended and that C. S. H. B. No. 7 be placed on its third reading and final passage.

The motion was lost by the following vote (not receiving four-fifths vote of the Members present):

Yeas—20

Aikin	Lane
Baker	Martin
Colson	Moffett
Dies	Owen
Fly	Phillips
Fuller	Reagan
Hazlewood	Roberts
Herring	Smith
Hudson	Weinert
Kazen	Willis

Nays—10

Bradshaw	Moore
Crump	Parkhouse
Gonzalez	Ratliff
Hardeman	Rogers
Krueger	Wood

Absent—Excused

Secrest

Adjournment

Senator Moore moved that the Senate stand adjourned until 10:30 o'clock a.m. tomorrow.

Senator Phillips moved that the Senate stand adjourned until 10:30 o'clock a.m. today.

Question first on the motion to stand adjourned until 10:30 o'clock a.m. tomorrow, yeas and nays were demanded.

The motion was lost by the following vote:

Yeas—4

Krueger	Parkhouse
Moore	Rogers

Nays—26

Aikin	Dies
Baker	Fly
Bradshaw	Fuller
Colson	Gonzalez
Crump	Hardeman

Hazlewood	Phillips
Herring	Ratliff
Hudson	Reagan
Kazen	Roberts
Lane	Smith
Martin	Weinert
Moffett	Willis
Owen	Wood

Absent—Excused

Secrest

Question next on the motion to adjourn until 10:30 o'clock a.m. today, the motion prevailed.

Accordingly, the Senate at 10:25 o'clock a.m. adjourned until 10:30 o'clock a.m. today.

NINTH DAY

(Thursday, June 11, 1959)

The Senate met at 10:30 o'clock a.m., pursuant to adjournment, and was called to order by the President.

The roll was called and the following Senators were present:

Aikin	Lane
Baker	Martin
Bradshaw	Moffett
Colson	Moore
Crump	Owen
Dies	Parkhouse
Fly	Phillips
Fuller	Ratliff
Gonzalez	Reagan
Hardeman	Roberts
Hazlewood	Rogers
Herring	Smith
Hudson	Weinert
Kazen	Willis
Krueger	Wood

Absent—Excused

Secrest

A quorum was announced present.

Reverend W. H. Townsend, Chaplain, offered the invocation as follows:

"Oh God, our Father, Thou hast promised that if any lack wisdom, let them ask of Thee and Thou will give to all men liberally.

"We pray now that wisdom from above may be given to direct us, strength commensurate with our task to support us, and the peace that passeth all understanding inhabit all our hearts.

"For Christ's sake, Amen."